

**FINAL PROPOSALS OF THE CITY OF ANNAPOLIS TO
AFSCME LOCAL 3406**

The City of Annapolis ("City") and AFSCME Local 3406, Trades, Maintenance and Labor Force employees ("Local 3406" or "the Union") hereby enter into the following Memorandum of Understanding ("MOU") regarding a collective bargaining agreement ("CBA") for the period July 1, 2012 through June 30, 2012. The MOU is subject to approval by the Annapolis City Council.

A. DURATION OF AGREEMENT

The MOU will be effective from July 1, 2012 to June 30, 2013.

B. SALARIES

(A) The City will provide for no cost of living adjustment or other increase in pay during Fiscal Year 2013 (July 1, 2012 through June 30, 2013).

(B) Employees who are eligible for step or longevity increases during Fiscal Year 2013 will receive such increase(s).

C. HEALTH INSURANCE

(A) Expect increase in premiums of about 8.5%

(B) Employee cost share will remain at 80/20

D. RETIREE MEDICAL

(A) Require that, except for those employees referred to in Paragraph (C) below, employees must be at least age 55 when they retire to be eligible to receive retiree medical benefits for themselves or dependents.

(B) Except for those employees referred to in Paragraph (C) below, the percentage of the retiree medical premium that the City pays will change from the current 70/30 split to a percentage equal to 2.5% multiplied by each year of City service, up to a maximum of 75%.

(C) The provisions of Paragraphs (A) and (B) of this section shall not apply to any employee who, on July 1, 2012, has the potential to reach 30 years of service with the City prior to their 55th birthday. For such employees, the employee may receive retiree medical benefits regardless of the age at which they retire so long as they are eligible to retire under the Maryland State Retirement and Pension Plan. For these employees, the City will pay 70% of the premium cost for the retiree and their dependents.

(D) Section 15.2 (1) will be revised to remove Plus Coverage as an option for Retiree Medical. Retirees can upgrade to Plus coverage, but must pay 100% of the difference between

the premium for Core coverage.

E. FURLOUGH DAYS

Discontinue furlough days.

F. LEAVE SELL BACK

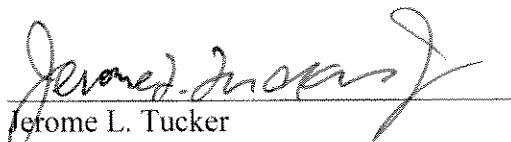
If an employee has a leave balance of [12] 16 or more annual days and [12] 16 or more sick days on December 1st of any year, the employee has the option, in his or her sole discretion, to sell back to the City no more than [three] five annual leave days. The employee must request the sell back in writing on or before December 20th of each year. The City shall pay the employee at their current rate of pay for the [three] five days and deduct the days from the employee's accumulated total.


G. LAYOFFS DUE TO REDUCTION OF FORCE

(A) Delete existing "Reductions in Work Force," "Layoff," and "Recall" sections in Article 7, §4 of Local 3406 Agreement.

(B) Revise Article 24 as shown in Attachment A.

AGREED AND ACCEPTED THIS 8th DAY OF May, 2012.


Jerome L. Tucker
President
Local 3406


Paul M. Rensted
Director of Human Resources
City of Annapolis

Attachment A:

Local 3406, Amend Article 24 as follows:

Article 24 – Layoffs Due to Subcontracting of Public Work

ARTICLE XXIV
Reduction of Force

Section 24.1 -- Layoffs Due to Reduction of Force

When an employee is laid off due to a reduction in work force initiated for any reason (including subcontracting of public work), employees shall be laid off in the inverse order of their City seniority within the relevant classification in the department, provided that the Director shall have discretion to retain an employee with superior qualifications or performance as determined by the Director in order to lay off a more senior employee with inferior qualifications or performance.. Prior to the layoff of any employee, all temporary and probationary employees will first be laid off by relevant classification and department.

Employees to be laid off will be paid the cash value of all accrued but unused annual leave in the next pay period following their termination date.

Employees will retain their seniority if they are laid off for a period of nine months or less.

The Union will be provided sixty (60) days notice in advance of any plan to lay off employees in the bargaining unit. Employees to be laid off will be provided a fourteen (14) day notice prior to layoffs.

Section 24.2 – Bumping Rights

If an employee is scheduled to be laid off, that employee may transfer to a position in the same department in an equally rated classification, or to a position in the same department in a lower rated classification, occupied by a less senior employee in the bargaining unit, provided that the employee is qualified for the position requested and provided further that the Director shall have discretion to retain a less senior employee with superior qualifications or performance as determined by the Director. When a senior employee displaces a junior employee in a lower classification, the senior employee's salary will remain the same unless it exceeds the maximum salary of the junior employee's job classification, in which case it will be reduced to the maximum of the lower classification. A displaced Employee may displace other, less senior, employees in the bargaining unit in the same manner.

Section 24.3 – Recall

Employees who have been laid-off shall have their name placed on a re-employment list for a

period of 12 months following their termination date and the employee will have priority re-employment rights to any vacant position in their same job classification for which the employee is qualified. No new employees will be hired to fill a vacant position in their same job classification until all employees on the reemployment list who are qualified have been offered re-employment by registered mail, return receipt requested. Re-employment offers will be made in order of seniority, except that the Department Director shall have the discretion to pass over recalling an employee with inferior performance or qualifications as determined by the Director in order to recall a less senior employee with superior qualifications or performance. Laid off employees will be allowed two (2) weeks from receipt of offer to respond and two (2) weeks after response to report back to work. Such notice period may be waived by the written request of an employee.

City of Annapolis ~ Flexible Employee Benefits Program

2012/13 vs 2011/12 Price Tags [80% ER - 20% EE]

[Increases: 0% Medical and Vision; 8.5% RX and Plus Dental; 8.4% Core Dental]

| 12/13 - Bi-Weekly | Individual | | EE/Child | | EE/Spouse | | Family | |
|-------------------|------------|---------|----------|---------|-----------|----------|----------|----------|
| | ER | EE | ER | EE | ER | EE | ER | EE |
| CORE Medical | \$145.88 | \$36.47 | \$291.70 | \$72.92 | \$373.88 | \$93.47 | \$415.95 | \$103.99 |
| EPO Medical | \$161.90 | \$40.48 | \$322.19 | \$80.55 | \$414.42 | \$103.61 | \$467.47 | \$116.87 |
| PLUS Medical | \$177.83 | \$44.46 | \$355.79 | \$88.95 | \$489.81 | \$122.45 | \$545.66 | \$136.42 |
| RX | \$48.50 | \$12.13 | \$96.58 | \$24.15 | \$159.35 | \$39.84 | \$162.26 | \$40.57 |
| Dental Core | \$6.21 | \$1.55 | \$11.56 | \$2.89 | \$11.56 | \$2.89 | \$17.13 | \$4.28 |
| Dental Plus | \$10.40 | \$2.60 | \$16.28 | \$4.07 | \$22.57 | \$5.64 | \$30.22 | \$7.56 |
| Vision Core | \$2.32 | \$0.58 | \$5.00 | \$1.25 | \$5.00 | \$1.25 | \$5.00 | \$1.25 |
| Vision Plus | \$3.08 | \$0.77 | \$6.62 | \$1.66 | \$6.62 | \$1.66 | \$6.62 | \$1.66 |

| 11/12 - Bi-Weekly | ER | EE | ER | EE | ER | EE | ER | EE |
|-------------------|----------|---------|----------|---------|----------|----------|----------|----------|
| CORE Medical | \$145.88 | \$36.47 | \$291.70 | \$72.93 | \$373.88 | \$93.47 | \$415.94 | \$103.99 |
| EPO Medical | \$161.90 | \$40.47 | \$322.19 | \$80.55 | \$414.42 | \$103.61 | \$467.47 | \$116.87 |
| PLUS Medical | \$177.82 | \$44.46 | \$355.79 | \$88.95 | \$489.81 | \$122.45 | \$545.66 | \$136.41 |
| RX | \$44.70 | \$11.18 | \$89.02 | \$22.25 | \$146.87 | \$36.72 | \$149.55 | \$37.39 |
| Dental Core | \$5.73 | \$1.43 | \$10.67 | \$2.67 | \$10.67 | \$2.67 | \$15.80 | \$3.95 |
| Dental Plus | \$9.58 | \$2.40 | \$15.01 | \$3.75 | \$20.80 | \$5.20 | \$27.85 | \$6.96 |
| Vision Core | \$2.32 | \$0.58 | \$5.00 | \$1.25 | \$5.00 | \$1.25 | \$5.00 | \$1.25 |
| Vision Plus | \$3.08 | \$0.77 | \$6.62 | \$1.66 | \$6.62 | \$1.66 | \$6.62 | \$1.66 |

| \$ Increase over 10/11 | ER | EE | ER | EE | ER | EE | ER | EE |
|------------------------|--------|--------|--------|--------|---------|--------|---------|--------|
| CORE Medical | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| EPO Medical | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| PLUS Medical | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| RX | \$3.80 | \$0.95 | \$7.57 | \$1.89 | \$12.48 | \$3.12 | \$12.71 | \$3.18 |
| Dental Core | \$0.48 | \$0.12 | \$0.90 | \$0.22 | \$0.90 | \$0.22 | \$1.33 | \$0.33 |
| Dental Plus | \$0.81 | \$0.20 | \$1.28 | \$0.32 | \$1.77 | \$0.44 | \$2.37 | \$0.59 |
| Vision Core | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Vision Plus | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| % Increase over | ER | EE | ER | EE | ER | EE | ER | EE |
|-----------------|------|------|------|------|------|------|------|------|
| BlueChoice | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| BCBC Core | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EPO Medical | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| RX | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% |
| Dental Core | 8.4% | 8.4% | 8.4% | 8.4% | 8.4% | 8.4% | 8.4% | 8.4% |
| Dental Plus | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% |
| Vision Core | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Vision Plus | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

City of Annapolis
In Network Copay Changes effective July 1, 2012

| Core and Plus PPO Medical Plans | Current | Effective 7/1/12 |
|--|--------------------------------------|---|
| Office Visit Copay Primary Care, Specialist, Chiropractor, Therapy, Acupuncture, Diagnostic, X-Ray and Lab | \$10 | \$15 |
| Urgent Care | \$15 | \$25 |
| ER Injury | Core - 10% Plus - covered at 100% | Core - \$25 copay then 10% Plus - \$25 copay |
| ER Illness | \$25 | \$50 |
| Hospital Admission Copay | \$0 | \$100 then applicable coinsurance |
| EPO Medical Plan | Current | Effective 7/1/12 |
| Office Visit Copay Primary Care, Acupuncture | \$10 | \$15 |
| Office Visit Specialist, Chiropractor and Therapy | \$20 | \$25 |
| Urgent Care | \$20 | \$30 |
| ER Injury | \$50 | \$75 |
| ER Illness | \$50 | \$75 |
| Hospital Admission Copay | \$0 | \$100 |
| Prescription Drug Plan | Current | Effective 7/1/12 |
| Retail - Generic/Preferred/Non-Preferred | \$5/20/35 | \$10/25/40 |
| 30-Day Supply Maintenance at Retail [after initial 2 fills] | \$25/40/55 | \$30/45/60 |
| Mail Order - Generic/Preferred/Non-Preferred | \$10/40/70 | \$20/50/80 |